

**FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT THEREON
FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

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INDEPENDENT AUDITORS' REPORT

**TO THE BOARD OF DIRECTORS
FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
Griffin, Georgia**

Opinion

We have audited the accompanying financial statements of FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited FLINT RIVER COUNCIL, INC., #95 BOY SCOUTS OF AMERICA'S 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 24, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RESJ, P.C.

RESJ, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

July 15, 2022
McDonough, Georgia

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>OPERATING FUND</u>		<u>CAPITAL FUND</u>		<u>ENDOWMENT FUND</u>		<u>TOTAL OF ALL FUNDS</u>	
	2021	2020	2021	2020	2021	2020	2021	2020
CURRENT ASSETS								
Cash	\$ 430,390	\$ 295,036	\$ 135,950	\$ 31,684	\$ -	\$ -	\$ 566,340	\$ 326,720
Unconditional Promises to Give	63,100	30,253	-	-	-	-	63,100	30,253
Accounts and Other Receivables	31,906	43,812	-	-	-	-	31,906	43,812
Due (To) From Other Funds	766,174	-	-	-	(766,174)	-	-	-
Inventories	-	34,246	-	-	-	-	-	34,246
Prepaid Expenses	24,070	23,125	-	-	-	-	24,070	23,125
TOTAL CURRENT ASSETS	1,315,640	426,472	135,950	31,684	(766,174)	-	685,416	458,156
PROPERTY AND EQUIPMENT								
at Cost, Net of Accumulated Depreciation								
Thereon of \$6,051,465 in 2021 and								
\$5,689,511 in 2020	-	-	5,382,485	5,713,664	-	-	5,382,485	5,713,664
UNCONDITIONAL PROMISES TO GIVE	-	-	414,000	414,000	-	-	414,000	414,000
INVESTMENTS	-	-	-	-	1,983,223	1,893,861	1,983,223	1,893,861
TOTAL ASSETS	\$ 1,315,640	\$ 426,472	\$ 5,932,435	\$ 6,159,348	\$ 1,217,049	\$ 1,893,861	\$ 8,465,124	\$ 8,479,681
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts Payable	\$ 40,593	\$ 24,757	\$ -	\$ 10,900	\$ -	\$ -	\$ 40,593	\$ 35,657
Accrued Liabilities	767,938	83	-	-	-	-	767,938	83
Custodian Accounts	49,212	42,361	-	-	-	-	49,212	42,361
Deferred Revenue	2,400	7,775	-	-	-	-	2,400	7,775
TOTAL CURRENT LIABILITIES	860,143	74,976	-	10,900	-	-	860,143	85,876
NET ASSETS								
Without Donor Restrictions	269,211	261,211	5,851,389	6,114,687	485,686	1,165,323	6,606,286	7,541,221
With Donor Restrictions	186,286	90,285	81,046	33,761	731,363	728,538	998,695	852,584
TOTAL NET ASSETS	455,497	351,496	5,932,435	6,148,448	1,217,049	1,893,861	7,604,981	8,393,805
TOTAL LIABILITIES AND NET ASSETS	\$ 1,315,640	\$ 426,472	\$ 5,932,435	\$ 6,159,348	\$ 1,217,049	\$ 1,893,861	\$ 8,465,124	\$ 8,479,681

The accompanying notes are an integral part of these financial statements.

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021 WITH COMPARATIVE TOTALS FOR 2020

	OPERATING FUND 2021	CAPITAL FUND 2021	ENDOWMENT FUND 2021	TOTAL FUNDS 2021	TOTAL FUNDS 2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS					
SUPPORT AND REVENUE					
Direct Support:					
Direct Contributions - Friends of Scouting	\$ 444,616	-	-	\$ 444,616	\$ 362,726
Other Direct Support	105,169	32,525	-	137,694	116,733
Special Fundraising Events, Net of Costs of Goods Sold of \$66,423 in 2021 and \$15,547 in 2020	99,213	-	-	99,213	82,942
Total Direct Support	648,998	32,525	-	681,523	562,401
Indirect Support:					
Government Grant - Paycheck Protection Program Loan Forgiveness	176,300	-	-	176,300	177,600
Indirect Contributions - United Way	20,751	-	-	20,751	47,167
Other Indirect Contributions	3,147	-	-	3,147	2,330
Total Indirect Support	200,198	-	-	200,198	227,097
Revenue:					
Camping Fees	352,116	-	-	352,116	84,905
Activities Fees	64,321	-	-	64,321	33,793
Other Income	95,381	-	-	95,381	96,710
Camp Card Sales, Net of Cost of Goods Sold of \$6,745 in 2021 and \$9,762 in 2020, and Net of Commission Expense of \$49,112 in 2021 and \$88,425 in 2020	43,655	-	-	43,655	78,818
Popcorn Sales, Net of Cost of Goods Sold of \$23,433 in 2021 and \$16,068 in 2020, and Net of Commission Expense of \$44,330 in 2021 and \$13,683 in 2020	37,640	-	-	37,640	16,016
Net Investment Income	56,338	-	100,036	156,374	307,396
Total Revenue	649,451	-	100,036	749,487	617,638
Net Assets Released from Restrictions:					
Satisfaction of Program Restrictions	-	1,746	-	1,746	149,409
Expiration of Time Restrictions	9,325	-	-	9,325	76,290
Total Net Assets Released from Restrictions	9,325	1,746	-	11,071	225,699
TOTAL SUPPORT AND REVENUE	\$ 1,507,972	\$ 34,271	\$ 100,036	\$ 1,642,279	\$ 1,632,835

The accompanying notes are an integral part of these financial statements.

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021 WITH COMPARATIVE TOTALS FOR 2020

	OPERATING FUND 2021	CAPITAL FUND 2021	ENDOWMENT FUND 2021	TOTAL FUNDS 2021	TOTAL FUNDS 2020
PROGRAM AND SUPPORT EXPENSES					
Program Services	\$ 1,215,095	\$ 327,411	\$ 11,609	\$ 1,554,115	\$ 1,171,817
Management and General	76,836	22,842	810	100,488	226,015
Fundraising	102,447	30,457	1,080	133,984	163,585
Total Program and Support Expenses	<u>1,394,378</u>	<u>380,710</u>	<u>13,499</u>	<u>1,788,587</u>	<u>1,561,417</u>
Charter and National Service Fee	22,453	-	-	22,453	22,920
Loss on Disposal of Assets	-	-	-	-	67,277
Contribution to Settlement Trust	766,174	-	-	766,174	-
TOTAL EXPENSES AND LOSSES	<u>2,183,005</u>	<u>380,710</u>	<u>13,499</u>	<u>2,577,214</u>	<u>1,651,614</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(675,033)</u>	<u>(346,439)</u>	<u>86,537</u>	<u>(934,935)</u>	<u>(18,779)</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS					
SUPPORT AND REVENUE					
Direct Support:					
Contributions	105,326	-	2,825	108,151	3,993
Other Direct Support	-	49,031	-	49,031	16,690
Total Direct Support	<u>105,326</u>	<u>49,031</u>	<u>2,825</u>	<u>157,182</u>	<u>20,683</u>
Net Assets Released from Restrictions	(9,325)	(1,746)	-	(11,071)	(225,699)
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	<u>96,001</u>	<u>47,285</u>	<u>2,825</u>	<u>146,111</u>	<u>(205,016)</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(579,032)</u>	<u>(299,154)</u>	<u>89,362</u>	<u>(788,824)</u>	<u>(223,795)</u>
NET ASSETS AT BEGINNING OF YEAR					
Without Donor Restrictions	261,211	6,114,687	1,165,323	7,541,221	7,560,000
With Donor Restrictions	90,285	33,761	728,538	852,584	1,057,600
TOTAL NET ASSETS AT BEGINNING OF YEAR	<u>351,496</u>	<u>6,148,448</u>	<u>1,893,861</u>	<u>8,393,805</u>	<u>8,617,600</u>
TRANSFERS	683,033	83,141	(766,174)	-	-
NET ASSETS AT END OF YEAR					
Without Donor Restrictions	269,211	5,851,389	485,686	6,606,286	7,541,221
With Donor Restrictions	186,286	81,046	731,363	998,695	852,584
TOTAL NET ASSETS AT END OF YEAR	<u>\$ 455,497</u>	<u>\$ 5,932,435</u>	<u>\$ 1,217,049</u>	<u>\$ 7,604,981</u>	<u>\$ 8,393,805</u>

The accompanying notes are an integral part of these financial statements.

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
 STATEMENTS OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2021 WITH COMPARATIVE TOTALS FOR 2020

	PROGRAM SERVICES 2021	SUPPORT SERVICES		TOTAL SUPPORT SERVICES 2021	TOTAL EXPENSES	
		MANAGEMENT AND GENERAL 2021	FUND RAISING 2021		2021	2020
DIRECT EXPENSES						
Program Services	\$ 113,786	\$ -	\$ -	\$ -	\$ 113,786	\$ 30,283
INDIRECT EXPENSES						
Salaries	519,493	36,244	48,325	84,569	604,062	613,705
Employee Benefits	134,971	9,416	12,554	21,970	156,941	149,707
Payroll Taxes	37,162	2,593	3,457	6,050	43,212	15,871
Worker's Comp. and Fidelity Insurance	9,037	630	841	1,471	10,508	6,863
TOTAL SALARIES AND RELATED EXPENSES	700,663	48,883	65,177	114,060	814,723	786,146
Insurance	92,974	6,487	8,649	15,136	108,110	93,883
Utilities	64,693	4,513	6,018	10,531	75,224	58,802
Repairs and Maintenance	62,921	4,390	5,853	10,243	73,164	37,188
Travel	50,676	3,536	4,714	8,250	58,926	52,557
Professional Fees	32,368	2,258	3,011	5,269	37,637	33,398
Office Supplies	29,267	2,042	2,723	4,765	34,032	12,936
Miscellaneous	22,854	1,595	2,127	3,722	26,576	24,766
Equipment Lease	22,409	1,563	2,084	3,647	26,056	15,664
Telephone	16,314	1,138	1,518	2,656	18,970	17,006
Special Assistance for Underserved Youth	9,263	646	862	1,508	10,771	8,102
Computer	7,224	504	672	1,176	8,400	8,400
Membership Dues	4,820	336	448	784	5,604	4,711
Advertising	4,154	290	386	676	4,830	-
Conferences and Conventions	3,684	257	343	600	4,284	1,422
Postage and Shipping	2,034	142	189	331	2,365	2,929
Rent	1,013	71	94	165	1,178	2,067
Supplies	213	15	20	35	248	-
Bad Debt Expense	-	-	-	-	-	4,000
TOTAL INDIRECT EXPENSES	1,127,544	78,666	104,888	183,554	1,311,098	1,163,977
Depreciation	312,785	21,822	29,096	50,918	363,703	367,157
TOTAL PROGRAM AND SUPPORT EXPENSES	\$ 1,554,115	\$ 100,488	\$ 133,984	\$ 234,472	\$ 1,788,587	\$ 1,561,417

The accompanying notes are an integral part of these financial statements.

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2021 WITH COMPARATIVE TOTALS FOR 2020
 INCREASE (DECREASE) IN CASH

	OPERATING FUND 2021	CAPITAL FUND 2021	ENDOWMENT FUND 2021	TOTAL FUNDS 2021	TOTAL FUNDS 2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Increase (Decrease) in Net Assets	\$ (579,032)	\$ (299,154)	\$ 89,362	\$ (788,824)	\$ (223,795)
Adjustments to Reconcile Cash					
Depreciation	-	363,703	-	363,703	367,157
Loss on Disposal of Assets	-	-	-	-	67,277
Realized/Unrealized (Gain) on Investments	-	-	(100,036)	(100,036)	(257,955)
Noncash Contributions Received	-	(29,500)	-	(29,500)	(5,000)
Paycheck Protection Program Loan Forgiveness	(176,300)	-	-	(176,300)	(177,600)
(Increase) Decrease in:					
Accounts Receivable	11,906	-	-	11,906	10,488
Due From Other Funds	(766,174)	-	-	(766,174)	-
Unconditional Promises to Give	(32,847)	-	-	(32,847)	37,969
Inventory	34,246	-	-	34,246	7,040
Prepaid Expenses	(945)	-	-	(945)	(10,807)
Increase (Decrease) in:					
Accounts Payable	15,836	(10,900)	-	4,936	6,168
Due To Other Funds	-	-	766,174	766,174	-
Accrued Liabilities	767,855	-	-	767,855	(3,950)
Custodian Accounts	6,851	-	-	6,851	3,231
Deferred Revenue	(5,375)	-	-	(5,375)	(25,255)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(723,979)	24,149	755,500	55,670	(205,032)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	-	(3,024)	-	(3,024)	(54,642)
Proceeds from Sale of Property and Equipment	-	-	-	-	1,250
Proceeds from Paycheck Protection Program Loan	176,300	-	-	176,300	177,600
Purchases of Investments	-	-	(749,142)	(749,142)	(1,948,295)
Proceeds from Sale of Investments	-	-	756,991	756,991	378,103
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	176,300	(3,024)	7,849	181,125	(1,445,984)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interfund Transfers	683,033	83,141	(766,174)	-	-
Restricted Contributions Received	-	-	2,825	2,825	2,168
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	683,033	83,141	(763,349)	2,825	2,168
NET INCREASE (DECREASE) IN CASH	135,354	104,266	-	239,620	(1,648,848)
CASH AT BEGINNING OF YEAR	295,036	31,684	-	326,720	1,975,568
CASH AT END OF YEAR	\$ 430,390	\$ 135,950	\$ -	\$ 566,340	\$ 326,720

Noncash Transactions: For the years ended December 31, 2021 and 2020, the Council received donated vehicles and equipment totaling \$29,500 and \$5,000, respectively.

The accompanying notes are an integral part of these financial statements.

**FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA (“the Council”) operates from a council service center in Griffin, Georgia, and serves the counties of Henry, Butts, Coweta, Fayette, Spalding, Lamar, Pike and Upson. The Council currently owns and operates one camping and training facility: the Gerald I. Lawhorn Scouting Base, located in Molena, Georgia. The FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA is an independent not for profit organization devoted to promoting, within the territory covered by the charter from time to time granted it by the Boy Scouts of America and in accordance with the Congressional Charter, Bylaws, and Rules and Regulations of the Boy Scouts of America, the Scouting program of promoting the ability of boys and young men and women to do things for themselves and others, training them in Scoutcraft, and teaching them patriotism, courage, self-reliance, and kindred virtues, using the methods which are now in common use by the Boy Scouts of America. In addition to support for organizational and programmatic scouting activities, the National Council of the Boy Scouts of America (the “National Council”) provides components of the Council’s employee benefit plans (see Note 9) and liability insurance programs (see Note 9) as well as components of the Council’s technology, software and other items. The Council delivered Scouting to 2,986 and 5,544 youth members in 2021 and 2020, respectively. The Council’s Web site address is www.flintrivercouncil.org. Scouting programs include the following:

Lion Scouts – A fun introduction to the Scouting program for kindergarten-age youth eager to get going! Lions do adventures with their adult partners and other Lions every month. This program introduces youth and their families to Scouting and the outdoors as it builds a foundation of character. A Lion den is part of the Cub Scout pack.

Tiger Scouts – One-year, family-oriented program for a group of teams, each consisting of a first-grade (or 7-year-old) boy or girl and an adult partner (usually a parent). A Tiger den is part of the Cub Scout pack.

Cub Scouting – Family-centered and community-centered approach to learning citizenship, compassion, and courage through service projects, ceremonies, games, and other activities promoting character development and physical fitness.

Scouts BSA – Scouts BSA is a year-round program for youth 11-17 years old that provides fun, adventure, learning, challenge, and responsibility to help them become the best version of themselves.

Venturing – Provides experiences to help young men and women, ages 14 (or 13 with completion of the eighth grade) through 20, become mature, responsible, caring adults. Young people learn leadership skills and participate in challenging outdoor activities, including having access to Boy Scout camping properties, a recognition program, and Youth Protection training.

Learning for Life – Program that enables young people to become responsible individuals by teaching positive character traits, career development, leadership, and life skills so they can make ethical choices and achieve their full potential.

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Families can choose to sign up their sons and daughters who are ages 5-10 for Cub Scouts. Chartered organizations may choose to establish a new girl pack, establish a pack that consists of girl dens and boy dens or remain an all-boy pack. Cub Scout dens will be single gender — all boys or all girls. Using the same curriculum as the (now) former Boy Scouting program, Scouts BSA launched in February 2019, enabling all eligible youth ages 11-17, to earn the Eagle Scout rank. Scouts BSA will be single gender – all-girl troops or all-boy troops. This unique approach allows the Council to maintain the integrity of the single-gender model while also meeting the needs of today’s families.

Mission Statement – The Boy Scouts of America’s mission is to prepare young people to make ethical and moral choices over their lifetimes by instilling in them the values of the Scout Oath and Law.

The Council’s mission is to provide a quality, dynamic program of learning and adventure that builds well-rounded young people. The Council’s goal is to instill in young people the principles of integrity, character, responsibility and leadership, preparing them to make ethical and moral choices over their lifetimes.

Fund Accounting – To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Council are maintained in accordance with the principles of fund accounting. Under such principles, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. The accounts of the Council are maintained in three self-balancing fund groups according to their nature and purposes as follows:

General Operating Fund – The general operating fund is used to account for the Council’s operating activities.

Capital Fund – The capital fund is used to account for property, buildings, equipment, and legally restricted cash that is to be expended for property, buildings, and equipment and related debt payments. Also, included in this fund are investments either restricted or designated for capital repair and improvements where the income is either designated or restricted for those particular items. Revenues and expenses related to the capital fundraising campaign are also included in this fund.

Endowment Fund – The endowment fund is normally used to account for amounts of gifts and bequests accepted with legal restrictions based on donor stipulation that the principal be maintained intact in perpetuity, until the occurrence of a specified event or for a specified period, and that only income from the investment thereof be expended either for general purposes or for purposes specified by the donor. Investment funds with and without donor restrictions are also included in the endowment fund. Certain donor restricted net assets have been restricted by donors to be maintained by the Council in perpetuity.

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation – The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, Not-for-Profit Entities, Presentation of Financial Statements. During 2018, the Council adopted the provisions of Accounting Standards Update (ASU) 2016-14: Not-for-Profit-Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities, which improves the current net asset classification and the related information presented in the financial statements and notes about the Council's liquidity, financial performance, and cash flows.

The financial statements of the Council have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). Accordingly, the accounts of the Council are reported in the following net asset classifications:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Council. These net assets may be used at the discretion of Council management and the board of directors.

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Council or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets. Restricted support whose restrictions are met within the same year as received are reported as unrestricted revenue.

Prior Year Summarized Comparative Information – The financial statements and certain notes include certain prior year summarized comparative information in total, but not by fund balance. Such information does not always include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, such information should be read in conjunction with the Council's financial statements as of and for the year ended December 31, 2020, from which the summarized comparative information was derived.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Council considers all unrestricted highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents.

Cash in the General Fund may be used for any purpose as directed by the board of directors. Cash in the Capital Fund may be used for capital purposes as directed by the board or directors. In 1984, an endowment fund was created. The interest from this fund may be used in operations, but the corpus is restricted to the direction of the Council's Executive Board.

Concentration of Credit Risk – The Council maintains its cash and cash equivalents in financial institution accounts, which may, at times, exceed the federally insured limit of \$250,000 set by the Federal Deposit Insurance Corporation. The Council has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash held in such institutions.

Accounts Receivable – Accounts receivable are recorded primarily for product sales and are reported at net realizable value if the amounts are due within one year. An allowance for doubtful accounts is based on an analysis of expected collection rates determined from experience. No allowance for doubtful accounts was considered necessary as of December 31, 2021 and 2020.

Interfund Loans – The Council records interfund loans on a single line in the asset section of the statements of financial position and classifies them as current or long-term based on the intended repayment date of the loan. The total of all three interfund loan accounts must be zero in the *Totals* column of the statements of financial position. For the years ended December 31, 2021 and 2020, there were no interfund loans.

Inventories – Inventories consists of scouting and other items available for resale and are stated at the lower of cost or net realizable value. Cost is determined using the average method. The Council has a Scout shop at the Trading Post located at the Scout camp in Molena, Georgia. The Council uses Vend software to account for its inventory. For the year ended December 31, 2021 all inventory was considered obsolete and disposed.

Property and Equipment – Purchased property and equipment are stated at cost. Maintenance and repairs are charged to operations when incurred. Betterments and renewals of \$1,000 or more are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in the change in net assets. Depreciation is computed using the straight line method over the estimated useful lives ranging from 2 to 50 years. Depreciation expense totaled \$363,703 and \$367,157 for the years ended December 31, 2021 and 2020, respectively.

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donations of property and equipment are recorded as contributions at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose based on its fair value. Assets donated with explicit restrictions regarding their use, absent donor stipulations regarding how long those donated assets must be maintained, are recorded as net assets with donor restrictions. The Council reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. The Council reclassifies net assets with donor restrictions that are temporary in nature to net assets without donor restrictions at that time.

Construction in Progress – Construction in progress is stated at cost and consists primarily of costs incurred in the construction of building improvements. No provision for depreciation is made on construction in progress until the assets are complete and placed into service. For the years ended December 31, 2021 and 2020, the Council had no construction in progress.

Long-lived Assets – Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairment charges were recorded during the years ended December 31, 2021 and 2020.

Investments – Investments with readily determinable fair values are measured at fair value in the statements of financial position. During 2020, the Council transferred its investment in the BSA Commingled Fund to investments in various stocks, bonds and mutual funds. Interest, dividends, realized and unrealized gains and losses on investments, net of fees, are recorded as investment return in the statements of activities and changes in net assets. Realized gains and losses are determined on a specific identification basis. Realized and unrealized gains and losses, interest, and dividends on investments are recorded as net assets without donor restriction unless such amounts are restricted by the donor or by law. Investments received as gifts are recorded at the estimated fair value at the date of the gift. Investments are classified based on their original maturities. Investments with original maturities of less than 12 months are classified as short-term investments.

Deferred Revenue – Revenues received for scouting events prior to the time actually earned are deferred and will be recognized as revenue in the following year. Advance deposits received for next year's activities are deferred and will be recognized as revenue in the following year.

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition – The Council recognizes revenue as follows:

Revenue from Exchange Transactions: The Council recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

The Council records the following exchange transaction revenue in its statements of activities and changes in net assets for the years ending December 31, 2021 and 2020:

Scout Trading Post sales – The Council operates a Trading Post at its camp located in Molena, Georgia, which sells Scouting-related merchandise on a retail basis to customers. The performance obligation is the delivery of the goods to the customer. The transaction price is established by the Council based on retail prices suggested by the suppliers. As each item is individually priced, no allocation of the transaction price is necessary. The Council recognizes revenue as the customer pays and takes possession of the merchandise. Some merchandise is sold with a right of return. If probable customer returns exist at the end of an accounting period, the Council estimates and records in its financial statements a liability for such returns, which offsets revenue. No liability for probable customer returns was considered necessary as of December 31, 2021 and 2020.

Product sales – To help Scout packs and troops raise the money they need to fund programs and activities throughout the year, the Council participates in the Trail's End Popcorn program. Scout packs and troops purchase popcorn from the Council, which they then resell to customers. The Scout packs and troops earn a commission of 32% to 38% on each sale they make, which may be used to offset the price of the popcorn they purchase from the Council. The popcorn sale also helps the Council raise money in support of its programs. Popcorn sales to Scout units start in the fall of each year, with the units placing their orders online through the Trail's End website. The price the Scout unit pays for the popcorn is established by the Council, and each item is individually priced, so no allocation of the transaction price is required. Many BSA units are allowed to purchase popcorn "on account" with payment due at a later date. Per FASB ASU 2014-09, the Council is required to assess the probability of collecting these accounts receivable in order to determine whether there is a substantive transaction between the council and the unit. In making this collectability assessment, the Council exercises judgment and considers all facts and circumstances, including its knowledge of the customer. The Council uses the Trail's End website to track and manage unit accounts receivable. With popcorn sales, the performance obligation is delivery of the product, which is fulfilled by the Council at predetermined times and locations. Revenue recognition occurs when the product has been delivered. The Council presents separately in its statements of activities and changes in net assets gross revenues from popcorn sales, cost of goods sold, and unit commissions (retained by or paid to the unit).

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Scout units have the right to return to the Council any unsold product, subject to a return-by date of November 19, 2021. As of December 31, 2021 and 2020, no probable popcorn returns existed. Accordingly, no liability for probable customer returns was considered necessary.

Camping and Activity revenue – The Council conducts program-related experiences such as Day Camps, Day Hikes, Weekend Overnights, Camporees, and Summer Camps where the performance obligation is delivery of the program. Fees for camps and activities are set by the Council. For resident camps, fees include program supplies, meals, lodging, recognition items, staffing, and facility costs. As is customary, these items are not separately priced and are therefore considered to be one performance obligation. Activities such as the National Scout Jamboree may include a transportation component in the transaction price. Some special camp programs do incur additional fees (shooting sports, for example), which are separately priced. BSA activities such as Wood Badge may involve program supplies, recognition items, and meals, and are also considered to be one performance obligation. Fees collected in advance of delivery of the camp or activity are initially recognized as liabilities (deferred revenue) and are only recognized in the statements of activities and changes in net assets after delivery of the program has occurred.

Special fundraising event revenue – The Council conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event—the exchange component, and a portion represents a contribution to the Council. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Council. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Council, are recorded as costs of direct donor benefits in the statements of activities and changes in net assets. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Council. FASB ASU 2014-09 requires allocation of the transaction price to the performance obligation(s). Accordingly, the Council separately presents in its statements of activities and changes in net assets the exchange and contribution components of the gross proceeds from special events. Special event fees collected by the Council in advance of its delivery are initially recognized as liabilities (deferred revenue) and recognized as special event revenue after delivery of the event.

Other Revenue: Other revenue consists primarily of water royalties and commission revenue and is recognized on a monthly basis as earned. For the years ended December 31, 2021 and 2020 water royalties totaled \$79,999 and \$82,024, respectively and commission revenue totaled \$14,670 and \$10,965, respectively.

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Receivable – Unconditional promises to give (pledges) that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the Council's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivables collectability. Amortization of the discounts is included in support from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. An allowance for uncollectible pledges is recorded when the Council determines, based on historical experience and collection efforts, that a contribution receivable (carried over from a prior year) is uncollectible. As of December 31, 2021 and 2020, contributions receivable were net of an allowance for uncollectible pledges of \$40,827 and \$51,443, respectively.

Donated Materials and Services – Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Council reports the donations in the net assets without donor restrictions category, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported in the net assets with donor restrictions category. Per FASB ASU 2016-14 and absent explicit donor stipulations about how long those long-lived assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Council. Some members of the Council have donated significant amounts of time to the Council in furthering its programs and objectives. However, no amounts have been included in the financial statements for donated member or volunteer services since they did not meet the criteria for recognition.

Advertising – Advertising costs are expensed as incurred.

Custodial Accounts – Custodial accounts represent amounts held by the Council as custodian for registration fees, amounts on deposit for affiliated Scouting associations for their future use, and amounts on deposit by member units chartered outside the Council for purchases of uniforms and supplies.

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses – The costs of providing the various programs and supporting services have been summarized on the statements of activities and changes in net assets on a functional basis. Most expenses can be directly allocated to one of the programs or supporting functions. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses in this category include occupancy, depreciation, office expenses, insurance, salaries and wages of support personnel, including the Scout executive's, accounting, information technology personnel, and payroll taxes. The basis of allocation of these expenses is the result of a time study of staff performed approximately every three years. The percentage of time allocated to each of the programs and the supporting functions is based on the average of the results of three separate studies and is applied to the expenses that are allocated. In accordance with the policy of the National Council of the Boy Scouts of America ("the National Council"), the payment of the charter fee to the National Council is not allocated as a functional expense. The financial statements report expenses by function in the statements of functional expenses.

Income Taxes – FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA is recognized by Internal Revenue Code Section 501(c)(3) as a nonprofit organization. Organizations under this status are exempt from federal and state income taxes. They are, however, required to maintain proper accounting records in order to maintain their status as a nonprofit organization. The Council is subject to federal income tax on any unrelated business taxable income. During 2021 and 2020, there was no unrelated business taxable income. The Council evaluates its uncertain tax positions, if any, on a continual basis as required by generally accepted accounting principles in the United States of America. As of December 31, 2021 and 2020, the Council does not believe it has taken any tax positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Council's federal exempt income tax returns (Form 990) are subject to examination by the IRS, generally for 3 years after they are filed. As of the date of this report, the Council's 2021 return had not yet been filed.

Fair Value Measurement – The FASB established a framework for measuring fair value and disclosing fair value measurements to financial statement users. Fair value is the price that would be received to sell an asset or paid to transfer a liability (referred to as the "exit price") in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for specific assets or liabilities at the measurement dates. The fair value should be based on assumptions that market participants would use, including consideration of nonperformance risk.

In determining fair value, the Council uses various valuation approaches. The FASB established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Council. Unobservable inputs are inputs that reflect the Council's assumptions about assumptions market participants would use in pricing the assets or liabilities developed based on the best information available in the circumstances.

**FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets to which the Council has access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of asset or liability, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Council in determining fair value is greatest for instruments categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an organization-specific measure. Therefore, even when market assumptions are not readily available, the Council's own assumptions are set to reflect those that the Council believes market participants would use in pricing the asset or liability at the measurement date.

Paycheck Protection Program

During the year, the Council received proceeds under the Paycheck Protection Program ("PPP") administered by a Small Business Administration ("SBA") approved partner. Established as part of the Coronavirus Aid, Relief and Economic Security Act ("Cares Act"), the PPP provides for forgivable loans to qualifying organizations as long as the organization maintains its payroll levels and uses the proceeds for eligible purposes, including payroll, benefits, rent, and utilities, over a "covered period". The has used the PPP loan proceeds for purposes consistent with the PPP and has applied for forgiveness.

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Council has interpreted the conditions of the grant to be the approval of the forgiveness application by the lender and SBA, upon receipt of which the Council will recognize the amount forgiven as grant revenue and the approval of the forgiveness application, at which time the Council will recognize as grant revenue the amount forgiven. See Note 17.

Contribution to the Settlement Trust – The Council intends to fund its portion of the settlement agreement by transferring funds from its endowment fund. See Note 10.

Reclassifications – Certain prior year amounts have been reclassified to conform to the current year presentation. In 2021, investment earnings previously reported as donor restricted, were reclassified as Board designated and properly reflected as net assets without donor restrictions.

Accounting Pronouncements Adopted – In 2020, the Council adopted the provisions of FASB ASU 2018-13, *Fair Value Measurement (Topic 820) Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments in this Update modify the disclosure requirements on fair value measurements in Topic 820, *Fair Value Measurement*. Adoption of this pronouncement had no effect on the Council's current or previously issued financial statements.

Effective for the Council in 2019, FASB ASU 2016-01, *Financial Instruments – Overall Recognition and Measurement of Financial Assets and Financial Liabilities (Topic 825-10)* allows a nonprofit organization to choose, on an investment-by-investment basis, to report an equity investment without a readily determinable fair value, that does not qualify for the practical expedient fair value in accordance with FASB ASC 820-10-35-59, at its cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issue. The FASB ASU requires additional disclosures about those investments. Adoption of this accounting pronouncement had no effect on the Council's financial statements.

Recently Issued Accounting Standards – The following accounting pronouncements were recently issued by the FASB:

Leases (Topic 842) Discount Rate for Lessees That Are Not Public Business Entities (ASU-2021-09)— Topic 842 currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this Update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election.

**FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842), Effective Dates for Certain Entities (ASU 2020-05). In order to give immediate relief to certain entities as a result of the widespread, adverse economic effects caused by the COVID-19 pandemic, on June 3, 2020, the FASB issued ASU No. 2020-05, This Accounting Standards Update defers the effective dates of FASB ASC Topics 606 and 842 to fiscal years beginning after December 15, 2019 and December 15, 2021, respectively, for certain entities that had not issued their financial statements (or made them available for issuance) as of June 3, 2020. The Council adopted FASB ASC 606 in 2019 with no effect on its net assets.

Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (ASU 2020-07)— Effective in 2022, the amendments in this Update apply to nonprofit organizations that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets.

NOTE 2 LIQUIDITY AND AVAILABILITY OF FUNDS

The Council's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, are as follows:

	<u>2021</u>	<u>2020</u>
Cash – Operating Fund	\$ 430,390	\$ 295,036
Contributions Receivable – Operating Fund	63,100	30,253
Accounts Receivable – Operating Fund	31,906	43,812
Less Amounts Not Available for General Use		
Due to Donor Restrictions	(95,866)	(80,960)
Plus Net Assets with Purpose Restrictions to be Met in Less Than One Year	<u>14,906</u>	<u>-</u>
Total Financial Assets Available to Meet General Expenditures within the Next 12 Months	<u>\$ 444,436</u>	<u>\$ 288,141</u>

The Council's endowment funds consist of donor-restricted endowments and board-restricted contributions. Income from donor-restricted endowments is board-restricted for specific purposes and, therefore, is not available for general expenditure. The board-restricted funds will be used to fund the Council's contribution to the Settlement Trust. Funds in the capital fund are donor and board-restricted and not available for general expenditure.

As part of the Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Council invests cash in excess of daily requirements in short-term investments.

**FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 3 FUND BALANCE TRANSFERS

Certain cash transfers between funds were made during the year to properly report all funds on a basis consistent with executive board designations and the Council's accounting policies.

NOTE 4 UNCONDITIONAL PROMISES TO GIVE

The Council has an active pledge program to raise money for capital improvements and general support of the Scouts. These pledges are due as follows:

	<u>2021</u>	<u>2020</u>
Amounts Due in the Next 12 Months	\$ 103,927	\$ 81,696
Amounts Due in More than 12 Months	414,000	414,000
Less Allowance for Uncollectible Pledges	<u>(40,827)</u>	<u>(51,443)</u>
Net Pledge Receivables	<u>\$ 477,100</u>	<u>\$ 444,253</u>

For the years ended December 31, 2021 and 2020, the Council determined that pledges receivable totaling \$-0- and \$4,000, respectively, were uncollectible and were written off as bad debt expense.

Amounts due in the future have not been discounted to present value because the effect is insignificant.

NOTE 5 INVESTMENTS

The Council's investments consisted of the following at December 31, 2021 and December 31, 2020:

	<u>2021</u>	<u>2020</u>
Stocks, Bonds and Mutual Funds	<u>\$ 1,983,223</u>	<u>\$ 1,893,861</u>

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with various investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported on the financial statements. The following schedule summarizes the investment return in the statements of activities and changes in net assets for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Net Realized and Unrealized Gain	\$ 119,218	\$ 281,942
Interest and Dividend Income	37,156	25,454
TOTAL INVESTMENT INCOME	<u>\$ 156,374</u>	<u>\$ 307,396</u>

Investment expenses paid by the Council totaled \$13,499 and \$12,291 for the years ended December 31, 2021 and 2020, respectively.

The above investment income is classified in the 2021 and 2020 statements of activities and changes in net assets.

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 INVESTMENTS (CONTINUED)

Income from interest and dividends on investments and realized and unrealized gains and losses on the sales of investments (“investment income, gains, and losses”) are recorded initially in the Endowment Fund. Distributions of investment income and net realized gains from the Endowment Fund are recorded as income by the Operating and Capital funds in the period in which the distributions are made in accordance with the Council’s spending policy (See Note 8).

NOTE 6 FAIR VALUE MEASUREMENT

As of December 31, 2021, the Council’s investments consisted of investments in stock, bonds and mutual funds. The fair market value of these investments totaled \$1,983,223.

Description	<u>Total</u>	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash & Equivalents	\$ 654,725	\$ 654,725	\$ -	\$ -
Domestic Equities	561,968	561,968	-	-
Domestic Fixed Income	439,946	439,946	-	-
International Equities	295,782	295,782	-	-
International Fixed Income	<u>30,802</u>	<u>30,802</u>	<u>-</u>	<u>-</u>
TOTAL INVESTMENTS	<u>\$ 1,983,223</u>	<u>\$ 1,983,223</u>	<u>\$ -</u>	<u>\$ -</u>

As December 31, 2020, the Council’s investments consisted of investments in stock, bonds and mutual funds. The fair market value of these investments totaled \$1,893,861.

Description	<u>Total</u>	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Domestic Equities	\$ 679,185	\$ 679,185	\$ -	\$ -
Domestic Fixed Income	609,022	609,022	-	-
International Equities	289,345	289,345	-	-
Cash & Equivalents	196,554	196,554	-	-
Emerging Market Equities	85,520	85,520	-	-
International Fixed Income	<u>34,235</u>	<u>34,235</u>	<u>-</u>	<u>-</u>
TOTAL INVESTMENTS	<u>\$ 1,893,861</u>	<u>\$ 1,893,861</u>	<u>\$ -</u>	<u>\$ -</u>

**FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 7 PROPERTY AND EQUIPMENT

Property and Equipment consists of the following:	<u>2021</u>	<u>2020</u>
Land	\$ 1,754,986	\$ 1,754,986
Building and Improvements	8,724,180	8,724,180
Furniture, Fixtures, and Equipment	734,398	701,873
Vehicles	<u>220,386</u>	<u>222,136</u>
SUBTOTAL	11,433,950	11,403,175
Less Accumulated Depreciation Thereon	<u>(6,051,465)</u>	<u>(5,689,511)</u>
NET PROPERTY AND EQUIPMENT	<u>\$ 5,382,485</u>	<u>\$ 5,713,664</u>

NOTE 8 ENDOWMENT FUND

The Council's endowment includes donor-restricted endowments. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Council is subject to the State Prudent Management of Institutional Funds Act ("SPMIFA") and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Council's Board of Directors has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Council considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Council has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Council considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Council and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Council
- The investment policies of the Council.

Funds contained in the Council's Endowment Fund are donor or board restricted. The donor restricted endowment funds available for distribution to the annual operating budget will be up to 5% of the Endowment Fund's average monthly market value from November 30, 2012 to June 30 preceding the budget year. The Council adheres to the National Endowment Fund's investment strategy, which is one of moderate growth with minimal risk.

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 8 ENDOWMENT FUND (CONTINUED)

The Council's Endowment Fund consist of the following:

	<u>2021</u>	<u>2020</u>
Net Assets Without Donor Restrictions –		
Board Designated	\$ 485,686	\$ 1,165,323
Net Assets With Donor Restrictions	<u>731,363</u>	<u>728,538</u>
TOTAL ENDOWMENT FUNDS	<u>\$ 1,217,049</u>	<u>\$ 1,893,861</u>

The Council's Endowment Net Assets had the following activity for the years ended December, 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Endowment Net Assets at Beginning of Year	<u>\$ 1,893,861</u>	<u>\$ 1,646,030</u>
Investment Income:		
Investment Income	36,478	25,071
Net Realized and Unrealized Gain	119,218	281,942
Appropriation of Endowment Assets for Expenditures	<u>(55,999)</u>	<u>(49,059)</u>
Net Investment Income	99,697	257,954
Contributions	2,825	2,168
Transfer to Operating Fund for Contribution to Settlement Trust	(766,174)	-
Management Fees	<u>(13,160)</u>	<u>(12,291)</u>
Endowment Net Assets at End of Year	<u>\$ 1,217,049</u>	<u>\$ 1,893,861</u>

Funds with Deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or applicable state law requires the Council to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of December 31, 2021 and 2020. The Council has interpreted the SPMIFA and applicable state trust law to permit spending from underwater endowments in accordance with prudent measures required under law.

Return Objectives and Risk Parameters – To satisfy its long-term rate-of-return objectives, the Council relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Council targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Strategies Employed for Achieving Objectives – To satisfy its long-term rate-of-return objectives, the Council relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Council targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 ENDOWMENT FUND (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Council has a total return spending policy approved by the Board of Directors that allows the operating fund to receive and recognize investment earnings originating from the endowment funds. The Board of Directors approved spending policy was to distribute the unrestricted dividend, interest and realized gains. The Council distributed \$55,999 and \$49,059 for the years ended December 31, 2021 and 2020, respectively. This is consistent with the Council's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 9 EMPLOYEE BENEFIT PLANS

The National Council has a qualified defined benefit pension plan ("the Plan") administered at the National Service Center that covers employees of the National Council and local councils, including this Council. The plan name is *Boy Scouts of America Master Pension Trust – Boy Scouts of America Retirement Plan for Employees* and covers all employees who have completed one year of service and who have agreed to make contributions. Effective December 31, 2018, the plan was frozen to employees with less than 15 years of vesting service, and whose age plus vesting service equaled less than 60 as of December 31, 2018 (non-grandfathered employees). Employees with at least 15 years of vesting service and whose age plus vesting service equaled 60 or more as of December 31, 2018 (grandfathered employees) contribute 4.25 percent of compensation to the plan. The Council contributes 7.75 percent of eligible employees' compensation to the BSA retirement program. Pension expense (excluding the contributions made by employees) was approximately \$58,535 and \$20,995 in 2021 and 2020, respectively, and covered current service cost. The actuarial information for the plan as of February 1, 2020, indicates that it is in compliance with ERISA regulations regarding funding.

BSA Match Savings Plan – The Council participates in a defined contribution plan established by the National Council of the Boy Scouts of America. The plan name is the BSA Match Savings Plan, which covers substantially all of the employees of the Council. Participants in the BSA Match Savings Plan may elect to make voluntary before-tax and/or Roth after-tax contributions based on a percentage of their pay, subject to certain limitations set forth in the Internal Revenue Code of 1986, as amended. The Council matches employee contributions to the BSA Match Savings Plan up to 50 percent of contributions from each participant, limited to 6 percent of each employee's gross pay. The Council contributed \$13,735 and \$28,712 to the BSA Match Savings Plan in 2021 and 2020, respectively.

Health Care Plan – The Council's employees participate in a health care plan provided by the National Council. The Council pays a portion of the cost for the employees, and the employees pay the remaining portion and the cost for any of their dependents participating in the plan. During the years ended December 31, 2021 and 2020, the Council remitted approximately \$76,000 and \$87,000, respectively, on behalf of its employees to the National Council related to the health care plan.

**FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 10 CONTINGENCIES

COVID-19 Pandemic – The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world and COVID-19 variants have produced a sequence of infection spikes that require changes to how our economy operates. The United States and global markets experienced significant disruption resulting from uncertainty caused by the pandemic. The Council is closely monitoring its investment portfolio and its liquidity and is actively working to manage the continuing impact of the pandemic. The extent of the impact of COVID-19 on the Council's operational and financial performance will depend on certain developments, including the duration of the pandemic and its impact on the Council's donors, customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Council's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Litigation and Contingencies – The Council has been made aware of personal injury claims being made against it. The Council will vigorously defend these actions. These claims are covered by the National Council Boy Scouts of America's general liability insurance program. At the present time management is unable to estimate a probable outcome of these matters and accordingly no provision for liabilities, if any, has been made in the accompanying financial statements. Changes in state law could result in additional claims being asserted against to Council.

The National Council has been named as a defendant in lawsuits alleging sexual abuse, including claims for compensatory and punitive damages. The Council is a separate nonprofit organization. The National Council has disclosed that in the event that its general liability insurance program ("GLIP") or its reserves are insufficient to resolve such claims, it is their opinion that the total amount of payments to resolve current and future claims could have a significant impact on the financial position or results of operations of the National Council.

The National Council provides the Council with a charter, program materials and support for administration as well as sponsoring certain benefit plans for Council employees. Since 1978 the National Council has operated a GLIP in which the Council participates. On February 18, 2020, the National Council filed for protection under chapter 11 of the United States Bankruptcy Code. The National Council continues to operate its business in the ordinary course and has received bankruptcy court approval to continue its relationship with the Councils including the benefit and insurance programs noted above. Neither the Council nor any other local council are currently parties to the bankruptcy proceeding. The court has granted a stay on litigation against both the National Council and local councils and the National Council has proposed a plan of reorganization that would protect local councils from any further legal exposure for abuse claims arising prior to February 18, 2020. Such plan will require a contribution from local councils. As of this date, the Council's contribution is expected to be \$766,174, however that may increase. The ability of the National Council to confirm such a plan is unknown. Management of the Council is unable to assess the effect, if any, the resolution of these matters by the National Council may have on the Council's operations or its financial statements.

**FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 11 REVENUES

Revenues classified as camping fees include sales of supplies generated through the Camp Trading Post.

Product sales were comprised of the following at December 31:

	<u>2021</u>	<u>2020</u>
Gross Product Sales	\$ 204,915	\$ 222,772
Direct Costs	(30,178)	(25,830)
Commission Expense	<u>(93,442)</u>	<u>(102,108)</u>
NET PRODUCT SALES	<u>\$ 81,295</u>	<u>\$ 94,834</u>

NOTE 12 COMPENSATED ABSENCES

Employees accrue annual and sick leave according to the schedule below:

	<u>Years of Service</u>	<u>Leave Accrual</u>
Annual Leave	Less than 5	12 Working Days
	5 to 10	15 Working Days
	Over 10	22 Working Days
Sick Leave	Employees are limited to a prescribed amount of paid annual sick leave.	

Annual leave is not carried over to subsequent periods. Annual leave accrued during the year will be paid upon termination. However, an employee must reimburse the Council for any unearned vacation used prior to termination. Compensated absences have not been accrued because the amount cannot be reasonably estimated.

NOTE 13 SCOUT SHOP

The National Council operates a Scout shop within the Council area. The National Council manages the Scout shop and pays the Council an 8 percent commission on gross sales up to \$750,000 and 13 percent on sales in excess of \$750,000. The commissions earned (before expenses) by the Council during 2021 and 2020 amounted to \$14,670 and \$10,965, which are included in other revenue in the statements of activities and changes in net assets.

NOTE 14 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of December 31:

	<u>2021</u>	<u>2020</u>
Subject to Expenditure for a Specific Purpose:		
Operating Fund:		
Water Royalties/Tencate Maintenance	\$ 80,960	\$ 80,960
Scout Parent Park	<u>14,906</u>	<u>-</u>
Total Operating Fund	<u>95,866</u>	<u>80,960</u>

**FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
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NOTE 14 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	<u>2021</u>	<u>2020</u>
Capital Fund:		
Water Royalties/Tencate Maintenance	53,043	30,772
Timber	28,003	2,989
Total Capital Fund	<u>81,046</u>	<u>33,761</u>
Total Purpose Restrictions	<u>176,912</u>	<u>114,721</u>
Subject to the Passage of Time:		
Operating Fund:		
Georgia Power Foundation	-	7,500
Friends of Scouting	54,420	1,825
Individual Grant	36,000	-
Total Passage of Time	<u>90,420</u>	<u>9,325</u>
Endowment Fund:		
Subject to Endowment Spending Policy and Appropriation:		
General Use - Money Market and Other	731,363	728,538
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 998,695</u>	<u>\$ 852,584</u>

NOTE 15 RELEASE OF NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were released from donor restriction by satisfying the restricted purposes for the following programs at December 31:

	<u>2021</u>	<u>2020</u>
Purpose Restrictions:		
Capital Fund – Water Royalties/ Tencate Maintenance	\$ 1,746	\$ 9,882
Capital Fund – 20/20 Vision	-	37,502
Capital Fund – Road-Camp	-	33,665
Capital Fund – Campsite Improvements	-	28,165
Capital Fund – Lawhorn Year Round	-	25,000
Capital Fund – Black Powder Range	-	9,584
Capital Fund – Erosion Control	-	1,611
Passage of Time:		
Operating Fund – Friends of Scouting	1,825	36,440
Operating Fund – Individual Grant	-	35,000
Operating Fund – Other	-	4,850
Operating Fund – Nongovernment Grants	7,500	-
Subject to Endowment Spending Policy and Appropriation:		
Endowment Fund – BSA Endowment Trust	-	4,000
TOTAL RELEASE OF NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 11,071</u>	<u>\$ 225,699</u>

**FLINT RIVER COUNCIL, INC. #95, BOY SCOUTS OF AMERICA
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DECEMBER 31, 2021 AND 2020**

NOTE 16 RELATED PARTY TRANSACTIONS

The Council purchases supplies and program materials from the National Council. The Council also incurs expenses from the National Council related to certain administrative services. Total expenses to the National Council were \$40,276 and \$42,768 for the years ended December 31, 2021 and 2020, respectively. The accounts payable balance includes payables to the National Council of \$2,296 and \$832 as of December 31, 2021 and 2020, respectively.

NOTE 17 PAYCHECK PROTECTION PROGRAM

In April 2020, the Council was granted and received a \$177,600 loan under the Paycheck Protection Program ("PPP") administered by a Small Business Administration (SBA) approved partner. The Council initially recorded the loan as a refundable advance and subsequently recognized the grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. In November 2020, the Council received notice from the SBA that the PPP loan was forgiven. The Council has recognized \$177,600 as grant revenue for the year ended December 31, 2020, which represents 100% of the loan proceeds.

In November 2020, the Council was granted and received a second draw of \$176,300 under the Paycheck Protection Program. The Council initially recorded the loan as a refundable advance and subsequently recognized the grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. In June 2021, the Council received notice from the SBA that the PPP loan was forgiven. The Council has recognized \$176,300 as grant revenue for the year ended December 31, 2021, which represents 100% of the loan proceeds.

NOTE 18 SUBSEQUENT EVENTS

The Council has evaluated all subsequent events through July 15, 2022, the date the financial statements were issued.